

MARKET CONDUCT EXAMINATION
GRANGE INSURANCE ASSOCIATION
AND
ROCKY MOUNTAIN FIRE AND CASUALTY
COMPANY

200 Cedar St.
Seattle, Washington

April 1, 2001 – March 31, 2002



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The Honorable Mike Kreidler
Washington State Insurance Commissioner
PO Box 40255
Olympia, Washington 98504

Dear Commissioner Kreidler:

Pursuant to your instructions and in compliance with the statutory requirements of RCW 48.03.010 and procedures promulgated by the National Association of Insurance Commissioners (NAIC) and the Office of the Insurance Commissioner (OIC), an examination of the market conduct affairs has been performed on the following companies:

Grange Insurance Association, NAIC # 22101
Rocky Mountain Fire and Casualty Insurance Company, NAIC # 22128

In this report, the above entities are collectively referred to as “the companies”. This examination is respectfully submitted.

CHIEF EXAMINER'S REPORT CERTIFICATION and ACKNOWLEDGEMENTS

This examination was conducted in accordance with Office of the Insurance Commissioner and National Association of Insurance Commissioners market conduct examination procedures. Sally Anne Carpenter, AIE, and Shirley M. Merrill of the Washington State Office of the Insurance Commissioner performed this examination and participated in the preparation of this report.

The examiners wish to express appreciation for the courtesy and cooperation extended by the personnel of the Grange Insurance Group of Companies during the course of this market conduct examination, including Rudy Werle, Dwight Simmons, Dotti Beard, Christine Bennett, Todd Merkley, and the staff that provided daily support to the examiners.

I certify that the foregoing is the report of the examination, that I have reviewed this report in conjunction with pertinent examination work papers, that this report meets the provisions for such reports prescribed by the Office of the Insurance Commissioner, and that this report is true and correct to the best of my knowledge and belief.

Leslie A. Krier, AIE, FLMI
Chief Market Conduct Examiner
Office of the Insurance Commissioner
State of Washington

FOREWORD

This market conduct examination report is by exception. Additional practices, procedures, and files subject to review during the examination were omitted from the report if no improprieties were indicated. Throughout the report, where cited, RCW refers to the Revised Code of Washington, and WAC refers to Washington Administrative Code.

Prior Examination Summary

The prior examination on the Grange Insurance Association and Rocky Mountain Fire and Casualty Company was a target examination of claims settlement practices that was adopted in 1995. No instructions were issued to the companies in the examination report.

SCOPE

Time Frame

The examination covered the companies' operations from April 1, 2001 through March 31, 2002. The examination was performed in the companies' home office in Seattle, Washington.

Matters Examined

The examination included the following areas:

| | |
|--------------------------------|-----------------------------|
| Advertising | Agent Licensing |
| Underwriting and Rating | Rate & Form Filings |
| Cancellations and Non-Renewals | Claims Settlement Practices |

SAMPLING STANDARDS

Methodology

In general, the sample for each test utilized in this examination falls within the following guidelines:

| | |
|---------|------------------------|
| 92 % | Confidence Level |
| +/- 5 % | Mathematical Tolerance |

These are the guidelines prescribed by the National Association of Insurance Commissioners in the Market Conduct Examiners Handbook.

Regulatory Standards

Samples are tested for compliance with standards established by the Office of the Insurance Commissioner. The tests applied to sampled data will result in an error ratio, which determines whether or not a standard is met. If the error ratio found in the sample is, generally, less than 5%, the standard will be considered as “met.” The standard in the area of agent licensing and appointment will not be met if any violation is identified. The standard in the area of filed rates and forms will not be met if any violation is identified. This will also apply when all records are examined, in lieu of a sample.

For those standards which look for the existence of written procedures or a process to be in place, the standard will be met based on the examiner’s analysis of those procedures or processes. The analysis will include a determination of whether or not the company follows established procedures.

Standards will be reported as Passed (without Comment), Passed with Comment or Failed. The definition of each category follows.

| | |
|---------------------|--|
| Passed | There were no findings for the standard. |
| Passed with Comment | The records reviewed fell within the tolerance level for that standard. |
| Failed | The records reviewed fell outside of the tolerance level established for the standard. |

COMPANY HISTORY AND OPERATIONS

The following companies do business in Washington:

| Company Name | Domiciled State | Incorporation Date | Date Admitted to WA |
|---|-----------------|--------------------|---------------------|
| Grange Insurance Association* | WA | 04-04-1894 | 04-26-1922 |
| Rocky Mountain Fire and Casualty Company ** | WA | 1911 | 07-01-1959 |

* Originally named Washington Fire Relief Association, change to Grange Fire Insurance Association June 4, 1936, and to its present form June 16, 1943.

** Originally know as Rocky Mountain Fire Insurance Company of Great Falls, Montana.

The following Operations and Management Standards Passed Without Comment:

| # | OPERATONS AND MANAGEMENT STANDARD | REFERENCE |
|---|---|------------------|
| 1 | The companies are required to be registered with the Office of the Insurance Commissioner prior to acting as an insurance company in the State of Washington. | RCW 48.05.030(1) |
| 2 | The companies are required to file with the OIC any amendments to the Articles of Incorporation for domestic insurers or holding companies. | RCW 48.07.070 |

GENERAL EXAMINATION FINDINGS

The following General Exam Standard Passed without Comment:

| # | GENERAL EXAM STANDARD | REFERENCE |
|---|--|------------------|
| 1 | The companies made available to the examiners all requested information, and otherwise facilitated the examination in a timely manner. | RCW 48.03.030(1) |
| 3 | The companies maintain full and accurate records and accounts. | RCW 48.05.280 |

The following General Exam Standard Failed:

| # | GENERAL EXAM STANDARD | REFERENCE |
|---|--|---|
| 2 | The companies do business in their own legal name. | RCW 48.05.190(1), Bulletin 78-7, Bulletin T 2000-06 |

Violations of this standard were found in the following areas: Underwriting, Cancellation and Non-renewals, and Claims. Specific information is discussed in those sections of the report.

ADVERTISING

The companies' advertising file consisted of three items:

- Web page www.grange.com
- A packet with product information designed for distribution to potential agents.
- A general brochure designed for name recognition.

The examiners reviewed all documents that were used by the companies during the exam period to determine compliance with the laws governing advertising.

Findings

The following Advertising Standards Passed Without Comment:

| # | ADVERTISING STANDARD | REFERENCE |
|---|---|---------------------------------|
| 1 | The companies' advertising materials do not contain any false, deceptive or misleading representations | RCW 48.30.040 |
| 2 | The companies do not use quotations or evaluations from rating services or other sources in a manner that appears to be deceptive to the public. | WAC 284-30-660 |
| 4 | The companies are required to show the actual financial condition of the companies as corresponds with the financial statements published by each company and must include only those assets actually owned and possessed by the company exclusively. | RCW 48.30.070 |
| 5 | The companies do not advertise the existence of the Washington Insurance Guaranty Association. | RCW 48.30.075 |
| 6 | The companies do not include any statements in their advertising material that would appear to defame the name of other insurers. | RCW 48.30.080 |
| 7 | The companies do not misrepresent the terms of their policies in any form during the advertising and solicitation of their products. | RCW 48.30.090 |
| 8 | The companies do not offer, promise, allow, give, set off, or pay to the insured or to any employee of the insured any rebate, discount, abatement or reduction of premium or any part of these as an inducement to purchase or renew insurance unless specifically exempted from this statute. | RCW 48.30.140, RCW 48.30.150 |

The following Advertising Standard Failed:

| # | ADVERTISING STANDARD | REFERENCE |
|---|---|-------------------------------------|
| 3 | The companies must use their full name and include the location of their home office or principle office in | RCW 48.30.050, Bulletin No.78-7, |

| | | |
|--|----------------------------|-----------------|
| | all advertisements. | T2000-06 |
|--|----------------------------|-----------------|

Advertising Standard #3

- Three pieces of advertising (100%) did not include the location of the home office. Copies of the documents are contained in the examiner's work papers.

Subsequent event: The companies state that by December 2002, the Web site and printed advertising will be modified to comply appropriately.

AGENT ACTIVITIES

The examiners selected 25 agents for review from a population of 122 agents listed by the companies as conducting business in Washington. As part of the Underwriting review, the examiners compared the companies' agent licensing records with the Office of the Insurance Commissioner's (OIC) records to ensure that agents soliciting business for the companies were licensed and appointed prior to soliciting business on behalf of the companies as required by Washington law. The examiners found that agents were properly licensed and appointed when soliciting on behalf of the company.

Findings

The following Agent Activity Standards Passed Without Comment:

| # | AGENT ACTIVITY STANDARD | REFERENCE |
|---|--|---------------------------------|
| 1 | The companies ensure that agents are licensed for the appropriate line of business with the State of Washington prior to allowing them to solicit business or represent the companies in any way. | RCW 48.17.060(1) and (2) |
| 2 | The companies require that agents are appointed to represent the companies prior to allowing them to solicit business on behalf of the companies. | RCW 48.17.160 |

COMPLAINTS

The examiners selected 25 complaint files for review from a population of 137 complaints filed between 1/1/1999 and 3/31/02 from the company records. The complaints consisted of 85 claims issues, 52 underwriting issues, and 2 customer service or agent issues.

Files were reviewed to determine if the companies responded to complaints within time frames stated in their procedures and those required by Washington law. Files were also reviewed for adverse trends. The complaints reviewed included issues of pricing, underwriting, claims settlements, cancellations, and non-renewals.

The examiners also reviewed the companies' complaint handling procedures. Written complaints are recorded in a special database maintained solely for that purpose. They are reviewed by the

Vice President of Claims who functions as the Compliance Officer. He determines the appropriate department to respond and routes the complaint to the department head. The assigned individual researches the problem, determines what action is warranted, and prepares the response. The response is reviewed by the Compliance Officer, and the database is updated when the response is mailed.

- 1 file was returned to claims to re-open and address the company's termination of benefits under the Personal Injury Protection coverage. The examiner noticed the company had not used the correct address to correspond with the insured and explain the basis for the company's decision. The letter was never returned. An additional \$277 was paid in medical benefits.

Findings

The following Complaint Standard Passed Without Comment:

| # | COMPLAINT STANDARD | REFERENCE |
|---|--|--|
| 1 | Response to communication from the OIC must be within 15 business days of receipt of the correspondence. The response must contain the substantial information requested in the original communication. | WAC 284-30-650, WAC 284-30-360(2), Technical Advisory T98-4 |

UNDERWRITING AND RATING

The examiners selected the following samples for the underwriting review.

- 85 of 16,092 commercial policies that were new or renewed during the exam period.
- 140 of 43, 047 personal lines policies that were new or renewed during the exam period.

Files were reviewed to determine if:

- the companies follow their filed rating plans
- the companies follow their underwriting rules consistently
- the companies were in compliance with Washington laws.

The examiners manually rated policies to determine if there were any programmed errors in the companies' computer system and if the companies were using their filed and approved rates.

Personal Lines Underwriting

The following errors were identified and referred to the companies for correction:

- Incorrect use of territory on one policy
- An alarm credit was not used properly on one policy.
- A loss free discount was not removed from one private passenger auto policy after the insured had a chargeable loss.
- A loss free credit had not been applied to one policy.

- An inconsistency exists between the language in the homeowner's policies which indicate a \$3.00 threshold for charging or waiving of premium and the exception pages in their underwriting & rating manual which indicates a \$1.00 threshold. The companies have indicated they will file a correction to the manual exception page rule.
- The companies had written an inland marine policy for an insured's golf cart. Underwriter notes indicated that it would be more cost effective to endorse the coverage onto the insured's homeowner's policy and should be corrected at the first renewal. However this transfer was never completed by the company. The system continued to automatically issue a renewal of the inland marine policy for multiple policy periods.

Commercial Lines Underwriting

- The companies underwrite a Commercial program called Periodically Used Farm Vehicles. The rating is based on the number of months the vehicle is not driven. The theory is that many farm vehicles, especially large trucks, are not used during the winter season or are only used during the harvest season. The discounts on the policy can be as much as 50% in premium reduction based on the number of months that the vehicle is not driven. It does not define the actual months or dates that the vehicle is not used. The insured is not required to report any details on the dates or use of the vehicle. If the insured has a loss, the company is forced to pay the claim because they failed to define the operation period. This leaves the company exposed to misuse or fraud by agents or insureds. The examiners discussed this coverage with the companies' claim and underwriting management, and recommended that underwriting requirements be revised to incorporate the actual lay-up timeframes.
- The companies apply a 3% protective device credit for the home on all of their farm policies, without verifying that the home actually qualifies for the credit.
- In one farm policy, the insured built a new home and added it to the policy. The company never asked for details to see if protective device credits should be factored into the rating.
- In one policy the agent added \$2,000 worth of computer equipment by sending in a note that the "info to follow". In the two and a half years that the policy covered the computer equipment, details had never been received from the agent, nor had the company followed up with the agent to get the details. The company was instructed to contact the agent, get the information and endorse the policy to a correct rate or refund the overcharge.
- One commercial policy was rated using personal driving records to underwrite and rate the policy. This was an error. The examiners noted that all other commercial rating was done with commercial driving records.
- The companies' computer system cannot be programmed to identify and change fire protection classes at renewal if the protection class has been revised by the Washington Survey and Rating Bureau (WSRB). The company does load current rates from the WSRB when they are published. New applications are rated with current rates. The companies were able to identify 24 policies that were affected by protection class revisions in Tacoma resulting in \$480 of undercharges. The companies will review policies at renewal to correct protection classes and refund overcharges, if any.

Findings

The following Underwriting Standards Passed Without Comment:

| # | UNDERWRITING & RATING STANDARD | REFERENCE |
|---|---|---|
| 2 | The companies require an insured to reject, in writing, underinsured motorist coverage or Personal Injury Protection coverage. | RCW 48.22.030(4), RCW 48.22.085(2) |
| 3 | During underwriting, the companies uses only the personal driving record for personal insurance and only the commercial motor vehicle employment driving record for commercial insurance. | RCW 46.52.130, RCW 48.30.310, Bulletin 79-3 |
| 6 | The companies may not rely solely on the decision of another insurer's denial, cancellation, or non-renewal of insurance to support a denial or termination of coverage. | WAC 284-30-574 |

The following Underwriting Standards Passed With Comment:

| # | UNDERWRITING & RATING STANDARD | REFERENCE |
|---|--|-------------------------------------|
| 1 | Binders issued to temporarily secure coverage are valid until the policy is issued or ninety days, whichever is shorter and shall identify the company providing the coverage and effective dates. | RCW 48.18.230(1), WAC 284-30-560 |

- Seven policies (3%) contained binders that were issued for either a 6 month or 1 year time-frame. See Appendix 1 for details.

Subsequent event: In December 2002, the Company modified computer programming to pre-fill the legal name of the specific insurer, and provided additional training to agents and internal staff.

The following Underwriting Standards Failed:

| # | UNDERWRITING & RATING STANDARD | REFERENCE |
|---|---|----------------------|
| 4 | The companies apply schedule rating plans to all policies as applicable in their filing | WAC 284-24-100 |
| 5 | The companies retain all documentation related to the development and use of (a) rates. | WAC 284-24-070 |
| 7 | Binders must identify the insurer in which they are bound. | WAC 284-30-560(2)(a) |

Underwriting and Rating Standard #4.

- 351 commercial policies were in violation for failing to follow the Schedule Rating Plan. The companies acknowledged that these policies contained no documentation to support any of the credits given, or that no documentation existed to show policies eligible for the plan were considered for schedule rating. WAC 284-24-100 requires the plan be applied

to all eligible insureds. The companies must provide the insurance commissioners' office the documentation to demonstrate that all eligible policies were considered even if no credit or debit was allowed.

- Two FARM policies did not contain documentation to justify the use of debits that were applied to their plan. The companies were instructed to return premium to the insureds. This resulted in return premium of \$1118.

Underwriting and Rating Standard # 5

- 1094 policies were using an (a) rate for deductibles that was higher than their filed plan. The companies were unable to support the rating with documentation as required.

Underwriting and Rating Standard #7

- 20 policies contained binders that did not identify the insurer that was providing the coverage.

See Appendix 1 for details.

Subsequent event: In December 2002, the companies advised the OIC that schedule rating programs were filed with and received approval from the OIC. In addition, agents received additional training on this program. The use of "a" rates has been discontinued in personal lines. Procedures put into place require supervisory approval for "a" rate use in commercial rating. The companies also have corrected programming to identify the specific insurers on binders.

RATE AND FORM FILINGS

The examiners selected 15 from the 225 new and renewal policies used in the Underwriting sample for the rate and form filings review.

The purpose of this sample was to determine if the companies were complying with the laws regarding the filing and use of rates and forms.

Findings

The following Rate and Form Filing Standards Passed Without Comment:

| # | POLICY PROVISION STANDARD | REFERENCE |
|---|---|-------------------------------|
| 3 | The declarations page of a policy must identify all forms that make up the policy. The policy will identify all coverage limits | RCW 48.18.140(2)(f) |
| 4 | The policy must contain all endorsements and forms. | RCW 48.18.190 |
| 5 | Policy forms for commercial policies are filed within 30 days of use. | RCW 48.18.103(2) |
| 6 | Personal Injury Protections forms issued by the companies contain coverage definitions and limits that | RCW48.22.095 RCW 48.22.005 |

| | | |
|--|----------------------------------|--|
| | conform to Washington law | |
|--|----------------------------------|--|

The following Rate & Form Filing Standards Failed:

| # | RATE & FORM FILING STANDARD | REFERENCE |
|---|--|---------------------------------|
| 1 | Policy forms and applications, where required, have been filed with and approved by the OIC prior to use. | RCW 48.18.100, RCW 48.18.103 |
| 2 | Where required, the companies have filed with the OIC classification manuals, manuals of rules and rates, rating plans, rating schedules, minimum rates, class rates, and rating rules prior to use, does not issue any policies that are not in accord with the filing in effect. | RCW 48.19.040 |

Rate and Form Filing Standard # 1

- The companies applied a deductible credit to 1094 policies that had never been filed for approval. The list of policies is contained in the examiner's work papers.

Rate and Form Filing Standard #2

- 1151 policies received more loss free credits than allowed in their filing.
- 3754 policies were not rated according to their filing. The companies did not implement new rates on the effective date of the approval; instead they delayed using the rates for 30 days. The companies were instructed to make corrections on those policies that were undercharged when the policies renew. When the insured was overcharged, the companies are instructed to endorse the policies to the correct rates and return all overcharged premium to the insureds. This occurred over two filing periods.
- 5800 policies were not rated according to the filing. Due to a programming error, insureds were charged \$1 less than the approved filing for underinsured motorist coverage. Loss to the company was \$5800.
- 572 policies were not rated according to the homeowners filing. \$5787 was returned to policyholders.
- 1524 policies were not rated according to the filing because the collision relativity factor programmed on the system was higher than that approved in the filing. \$62, 830.00 was returned to insureds.
- 2271 policies were not charged the minimum general liability premium required in their filing. \$235,746 was lost as a result of this error.
- 1057 commercial umbrella policies were rated with old rates because the worksheet which was completed manually to calculate the premium was never updated when rates changed. The examiners did not require the companies to calculate the loss to the company because of undercharges because of time constraints.
- 28 policies were not rated according to the filing for reasons such as: application of the wrong protection class, credits applied in error, not applying all rating factors to the premium calculation, incorrect construction class or because underwriting data was not updated. This resulted in \$1630 returned to 11 insureds, and lost premium of \$844 on two policies.

See Appendix 1 for details.

Subsequent event: In December 2002, the companies advised the OIC that procedures have been implemented or changed to ensure implementation of approved filings. The company also advises that systems have been corrected to calculate rates according the approved filings.

CANCELLATIONS AND NON-RENEWALS

The examiners reviewed files to determine if the company was in compliance with state laws governing cancellations and non-renewals.

The examiners selected 25 policies from a population of 732 non-renewals, and 50 policies from a population of 13,625 cancellations. The policies in the sample were either cancelled or non-renewed during the exam period. The examiners also reviewed 23 policies written through terminated agents that were cancelled or non –renewed during the exam period.

Findings

The following Cancellation and Non-renewal Standards Passed Without Comment:

| # | CANCELLATION & NON-RENEWAL STANDARDS | REFERENCE |
|---|--|----------------------|
| 1 | The companies do not cancel or refuse to renew policies because the agent is no longer affiliated with the company. | RCW 48.17.591 |

The following Cancellation and Non-renewal Standard Failed.

| # | CANCELLATION & NON-RENEWAL STANDARDS | REFERENCE |
|---|---|--|
| 2 | The companies send offers to renew or cancellation or non-renewal notices according to the requirements prior to policy termination. | RCW 48.18.290, RCW 48.18.2901, RCW 48.18.291, RCW 48.18.292 |
| 3 | The companies include the actual reason for canceling, denying or refusing to renew an insurance policy when notifying the insured. | WAC 284-30-570 |

Cancellation and Non-Renewal Standard #2

- 3745 policy holders were not notified that the premium would increase as a result of a rate increase at the time the company offered the renewal.

Cancellation and Non-renewal Standard #3:

- 16 notices of cancellation or non-renewal did not give enough detail for the companies' action or the reason given was in insurance terminology that is not easily understood by the insured.

- 1 notice gave the reason as failure to respond to the companies' request for information. The request was sent to the agent, not the insured.

See Appendix 2 for detail.

Subsequent event: In December 2002, the companies advised the OIC that procedures have been implemented to insure policy holders are notified of premium increases. Also, staff training and periodic audits have been implemented to ensure proper wording is used on cancellation and non-renewal notices.

The following General Exam Standard Failed:

| # | GENERAL EXAM STANDARD | REFERENCE |
|---|---|--|
| 2 | The companies conduct their business in their own legal name. | RCW 48.05.190(1), Bulletin 78-7, Bulletin T2000-06 |

General Examination Standard #2:

- 13 non-renewal notices (17%) did not identify the insurer.

See Appendix 2 for detail.

Subsequent event: The companies advise that programming has been changed to ensure that letterhead and signature block correctly identify the insuring company.

CLAIM SETTLEMENT PRACTICES

The examiners selected 220 claim files for review from a population of 21,053 commercial and personal lines claims closed during the examination period, and 20 claims with first party total loss automobiles from a population of 750.

Files were reviewed for:

- Compliance with Washington law
- Timeliness of contact with claimants
- Promptness of payments
- Explanation of coverage applicable
- Procedures for establishing actual cash value of total loss vehicles
- Documentation of claim files

The claims are handled in the regional claims office in Seattle, Washington. The following errors were returned to claims management for review:

- The companies subrogated against an uninsured motorist who was making payment to the companies. The insured's deductible had not been refunded even though the company had collected more than the insured's deductible. The company returned \$100 to the insured.
- The total loss payment included an error in the computation of the sales tax resulting in an overpayment of \$81 to the insured.
- Two claims were coded incorrectly and were returned for correction.
- The claim handler failed to include the transfer fee in the total loss settlement. The company sent an additional \$11.75 to the insured.

Findings

The following Claims Standards Passed Without Comment:

| # | CLAIM STANDARD | REFERENCE |
|---|---|--------------------------------|
| 1 | The companies settle claims in a manner that is not in conflict with any section of the Unfair Claims Settlement Act. | WAC 284-30-330 |
| 3 | The companies provided explanation of all pertinent coverage to first party claimants. | WAC 284-30-350 |
| 4 | The companies acknowledge receipt of a claim within 10 days, and respond to all communications on a claim file within the time frames prescribed. | WAC 284-30-360(1) and (3) |
| 5 | The companies comply with requirement for prompt investigation of claims. | WAC 284-30-370 |
| 6 | The companies must accept or deny coverage within 15 days after receiving proof of claim | WAC 284-30-380 |
| 8 | The companies comply with the regulation regarding notification of PIP benefits, limitations, termination, or denial of benefits. | WAC 284-30-395 |
| 9 | The companies surrender titles for total loss vehicles to the Department of Licensing or provide other authorized documentation as required. | RCW 46.12.070, WAC 308-56A-460 |

The following Claims Standard Passed With Comment:

| # | CLAIM STANDARD | REFERENCE |
|---|--|----------------|
| 2 | The companies claim files contain detailed log notes and work papers so as to allow the examiners to reconstruct the claim file. | WAC 284-30-340 |

Claims Standard # 2:

- 2 files (less than 1%) did not contain documentation to explain how the salvage value or the depreciation value was determined.

See Appendix 3 for detail.

The following Claims Standard Failed:

| # | CLAIM STANDARD | REFERENCE |
|---|---|----------------|
| 7 | The companies settle automobile claims in accordance with standards established for prompt, fair and equitable claim settlements. | WAC 284-30-390 |

Claims Standard # 7:

- 4 (20%) of 20 total loss files did not include mileage in the total loss evaluation.

See Appendix 3 for detail.

Subsequent event: The companies provided evidence that additional instructions regarding total loss claim handling had been given to the claim handlers.

The following General Examination Standard Failed:

| # | GENERAL EXAMINATION STANDARD | REFERENCE |
|---|---|---|
| 2 | The companies conduct their business in their own legal name. | RCW 48.05.190(1), Bulletin 78-7, Bulletin T 2000-06 |

General Examination Standard #2:

- 34 files (15%) contained letters that did not identify the actual insurer. They either used Grange Insurance Group, or listed both Grange Insurance Association and Rocky Mountain Fire and Casualty as the insurer.

See Appendix 3 for detail.

Subsequent event: The companies advise that programming has been changed to ensure that letterhead and signature block correctly identify the insuring company.

SUMMARY OF STANDARDS

General Examination Standards:

| # | STANDARD | PAGE | PASS | FAIL |
|---|---|-------------|------|------|
| 1 | The companies made available to the examiners all requested information in a timely manner. (RCW 48.03.030(1)) and WAC 284-30-650) | 7 | X | |
| 2 | The companies conduct their business in their own legal name. (RCW 48.05.190(1), Bulletin 78-7, Bulletin T 2000-06). | 7,16, 18 | | X |
| 3 | The companies maintain full and accurate records of the policy records. (RCW 48.05.280) | 7 | X | |

Company Operations and Management:

| # | STANDARD | PAGE | PASS | FAIL |
|---|--|------|------|------|
| 1 | The companies are required to be registered with the Office of the Insurance Commissioner prior to acting as an insurance company in the State of Washington. (RCW 48.05.030(1)) | 7 | X | |
| 2 | The companies are required to file with the OIC any changes to Articles of Incorporation, or amendments for domestic companies. (RCW 48.07.070) | 7 | X | |

Advertising:

| # | STANDARD | PAGE | PASS | FAIL |
|---|--|------|------|------|
| 1 | The companies' advertising materials do not contain any false, deceptive or misleading representations. (RCW 48.30.040) | 8 | X | |
| 2 | The companies do not use quotations or evaluations from rating services, advisory services or other sources in a manner that appears to be deceptive to the public. (WAC 284-30-660) | 8 | X | |
| 3 | The companies must use their full name and include the location of their home office or principle office in all advertisements. (RCW 48.30.050) | 8 | | X |
| 4 | The companies are required to show the actual financial condition of the Company as corresponds with the financial statements published by the Company and must include only those assets actually owned and possessed by the Company exclusively. (RCW 48.30.070) | 8 | X | |
| 5 | The companies do not advertise the existence of the Washington Insurance Guaranty Association. (RCW 48.30.075) | 8 | X | |
| 6 | The companies do not include any statements in their advertising material that would appear to defame the name of other insurers. (RCW 48.30.080) | 8 | X | |
| 7 | The companies do not misrepresent the terms of their policies | 8 | X | |

| # | STANDARD | PAGE | PASS | FAIL |
|---|--|------|------|------|
| | in any form during the advertising and solicitation of their products. (RCW 48.30.090) | | | |
| 8 | The companies do not offer, promise, allow, give, set off, or pay to the insured or to any employee of the insured any rebate, discount, abatement or reduction of premium or any part of these as an inducement to purchase or renew insurance unless specifically exempted from this statute. (RCW 48.30.140, RCW 48.30.150) | 8 | X | |

Agent Activity:

| # | STANDARD | PAGE | PASS | FAIL |
|---|--|------|------|------|
| 1 | The companies ensure that agents are licensed for the appropriate line of business with the State of Washington prior to allowing them to solicit business or represent the companies in any way. (RCW 48.17.060(1) and (2)) | 9 | X | |
| 2 | The companies require that agents are appointed to represent the companies prior to allowing them to solicit business on behalf of the companies. (RCW 48.17.160) | 9 | X | |

Complaints:

| # | STANDARD | PAGE | PASS | FAIL |
|---|---|------|------|------|
| 1 | Response to communication from the OIC must be within 15 business days of receipt of the correspondence. The response must contain the substantial information requested in the original communication. (WAC 284-30-650, WAC 284-30-360(2), Technical Advisory T98-4) | 10 | X | |

Underwriting and Rating:

| # | STANDARD | PAGE | PASS | FAIL |
|---|--|------|------|------|
| 1 | Binders issued to temporarily secure coverage during underwriting are valid until the policy is issued or ninety days, whichever is shorter. (RCW 48.18.230(1)) | 12 | X | |
| 2 | The companies require an insured to reject, in writing, underinsured motorist coverage. (RCW 48.22.030(4)) | 12 | X | |
| 3 | During underwriting, the companies obtain and use only the personal driving record for personal insurance and only the employment driving record for commercial insurance. (RCW 48.30.310, RCW 46.52.130, Bulletin 79-3) | 12 | X | |
| 4 | The companies apply schedule rating plans to all policies as applicable. (WAC 284-24-100) | 12 | | X |
| 5 | The companies retain all documentation related to the | 12 | | X |

| # | STANDARD | PAGE | PASS | FAIL |
|---|---|------|------|------|
| | development and use of (a) rates. (WAC 284-24-070) | | | |
| 6 | The companies may not rely solely on the decision of another insurer's denial, cancellation, or non-renewal of insurance to support a denial or termination of coverage. (WAC 284-30-574) | 12 | X | |
| 7 | Binders must identify the insurer in which they are bound (WAC 284-30-560(2)(a)) | 12 | | X |

Rate and Form Filings:

| # | STANDARD | PAGE | PASS | FAIL |
|---|--|------|------|------|
| 1 | Policy forms and applications, where required, have been filed with and approved by the OIC prior to use. (RCW 48.18.100) | 14 | | X |
| 2 | Where required, the companies have filed with the OIC classification manuals, manuals of rules and rates, rating plans, rating schedules, minimum rates, class rates, and rating rules prior to use, does not issue any policies that are not in accord with the filing in effect. (RCW 48.19.040) | 14 | | X |
| 3 | The declarations page of a policy will identify all forms that make up the policy. The policy will identify all coverage limits. (RCW 48.18.140) | 14 | X | |
| 4 | Policy must contain all endorsements and forms (RCW 48.18.190) | 14 | X | |
| 5 | Policy forms for commercial policies are filed within 30 days of use. (RCW 48.18.103(2)) | 14 | X | |
| 6 | Personal Injury Protections forms issued by the companies contain coverage definitions and limits that conform to Washington law. (RCW 48.22.095) | 14 | X | |

Cancellations and Non-Renewals:

| # | STANDARD | PAGE | PASS | FAIL |
|---|--|------|------|------|
| 1 | The companies do not cancel or refuse to renew policies because the agent is no longer affiliated with the company. (RCW 48.17.591) | 15 | X | |
| 2 | The companies send offers to renew or cancellation or non-renewal notices within the prescribed time frames. (RCW 48.18.290, RCW 48.18.2901, RCW 48.18.291, RCW 48.18.292) | 16 | | X |
| 3 | The companies include the actual reason for canceling, denying or refusing to renew an insurance policy when notifying the insured. (WAC 284-30-570) | 16 | | X |

Claims:

| # | STANDARD | PAGE | PASS | FAIL |
|---|---|------|------|------|
| 1 | The companies settle claims in a manner which is not in conflict with any section of the Unfair Claims Settlement Practices set forth in Washington regulations. (WAC 284-30-330) | 17 | X | |
| 2 | The companies' claim files contain detailed log notes and work papers that allow reconstruction of the claim file. (WAC 284-30-340) | 18 | X | |
| 3 | The companies' claim files shall contain documentation that all pertinent benefits and coverage were disclosed to the first party claimants. (WAC 284-30-350) | 17 | X | |
| 4 | The companies acknowledge all communications on a claim within the time frames prescribed in Washington administrative code. (WAC 284-30-360) | 17 | X | |
| 5 | The companies comply with requirements for prompt investigation of claims (WAC 284-30-370) | 17 | X | |
| 6 | The companies settle or deny any first party claim after receipt of documentation of the claim within 15 days. (WAC 284-30-380) | 17 | X | |
| 7 | The companies settle auto claims in a prompt, fair, and equitable manner. (WAC 284-30-390) | 18 | | X |
| 8 | The companies comply with regulations concerning personal injury protection (PIP) coverage. (WAC 284-30-395) | 17 | X | |
| 9 | The companies properly send vehicle titles or other accepted documentation to the Department of Licensing for destruction. (RCW 46.12.070) (WAC 308-56A-460) | 18 | X | |

INSTRUCTIONS AND RECOMMENDATIONS

1. The companies are instructed to establish procedures that ensure compliance with RCW 48.05.190(1) and that all policy quotes, policy documents and all correspondence correctly identify the legal name of the insuring company. (Pages 7, 16, and 18)
2. The companies are instructed to identify the companies' home office or principal office location on advertising to ensure compliance with RCW 48.30.050. (Page 8)
3. The companies are instructed to establish procedures to ensure that every commercial policy eligible for schedule rating is included, and that documentation supports compliance with WAC 284-24-100. (Page 12)
4. The companies are instructed to establish procedures to ensure that documentation is retained for "a" rates in compliance with WAC 284-24-070. (Page 12)
5. The companies are instructed to establish procedures to ensure compliance with WAC 284-30-560(2)(a) to verify that binders show the correct insurer. (Page 12)
6. The companies are instructed to file all forms not covered under RCW 48.18.100 as required under RCW 48.18.103 within 30 days of use. (Page 14).
7. The companies are instructed to establish procedures to comply with RCW 48.19.040(6) regarding filings, rating plans and application of approved rates. (Page 14)
8. The companies are instructed to send notification of renewals, cancellation or non-renewals within the time frame requirements stated in RCW 48.18.290, RCW 48.18.2901, RCW 48.18.291, or RCW 48.18.292. (Page 16)
9. The companies are instructed to comply with WAC 284-30-570 when sending notices, canceling, denying, or non-renewing policies. (Page 16)
10. The companies are instructed to comply with WAC 284-30-390 when establishing the market values of total loss vehicles. (Page 18)

APPENDIX I

| | UNDERWRITING AND RATING | |
|---|--|------------------|
| Violation or policy number | Reasons/Comments | Returned premium |
| | | |
| RCW 48.05.190(1) and WAC 284-30-560(2)(a), GE Standard #2 and U & R Standard#7 | Every insurer shall conduct its business in its own legal name. Binders must identify the insurer in which the coverage is bound. | |
| 2Z00790277 | Binder shows the insurers name as "Rocky". | |
| 2Z00784019 | Binder shows the insurers name as "Rocky Mountain". | |
| 2Z00781331 | Binder shows the insurers name as "Rocky Mountain F & C". | |
| 2Z00778821 | Binder shows the insurers name as "RM". | |
| 2Z00775017 | Binder shows the insurers name as "Rocky Mountain". | |
| 2Z00762281 | Binder shows the insurers name as "Rocky Mt.". | |
| 2Z00779316 | Binder shows the insurers name as "RM". | |
| 2Z00767102 | Binder shows the insurers name as "RMF&C". | |
| 2Z00778221 | Binder shows the insurers name as "Rocky MTN." | |
| 2Z00778219 | Binder shows the insurers name as "RKY MTN". | |
| PAS 0002114341 | Binder shows the insurers name as "Rocky Preferred". | |
| PAS 0002132429 | Binder shows the insurers name as "Rocky MT Preferred" | |
| PAS 0002125323 | Binder shows the insurers name as "Rocky Preferred". | |
| PAS 0002132374 | Binder shows the insurers name as "Rocky Mtn - Pref". | |
| PAS 0002102828 | No insurer name was given on binder. | |
| PAS 0002132509 | Binder shows the insurers name as "RMF&C - Pref." | |
| PAS 0002133502 | Binder shows the insurers name as "RMUP". | |
| CAS 7125108895 | Binder shows the insurers name as "GIA". | |
| CAS 7125103775 | Binder shows the insurers name as "Grange". | |
| CAS 7115432466 | Binder shows the insurers name as "GIA". | |
| GLS 7100227049 | Certificate of Insurance lists Grange Insurance Group instead of Grange Insurance Association. | |
| | | |
| RCW 48.18.230, U & R Standard #1 | No binder shall be valid beyond the issuance of the policy or beyond 90 days , which ever is shorter | |
| 2Z00784019 | Binder was issued for one full year. | |
| 2Z00781331 | Binder was issued for one full year. | |
| 2Z00778221 | Binder was issued for one full year. | |
| PAS 0002114341 | Binder was issued for 6 months. | |
| CAS 7125108895 | Binder was issued for one full year. | |
| CAS 7125103775 | Binder was issued for one full year. | |
| CAS 7115432466 | Binder was issued for one full year. | |
| | | |

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|---|---|-------------|
| RCW 48.19.040 (6) R&F Standard # 2 | Where a filing is required no insurer shall make or issue an insurance contract or policy except in accordance with its filing then in effect | |
| 1,151 policies | The companies were not applying loss free credits in accordance to their filing. More credits than appropriate were being applied. Policies will be corrected at renewal. | |
| 3754 policies | The companies did not implement new rates as approved in their filing. Using older rates, the insureds were charged less than appropriate, policies will be corrected on their next renewal. This occurred in two filing periods. | |
| 572 policies | The companies did not rate homeowners policies according to their filings resulting in overcharging premium. | \$5787.00 |
| 5800 policies | The companies estimated that 5800 policies were undercharged \$1.00 less than their filed rated for UIM coverage due to a programmed error. Premium loss \$5800.00 | |
| 1,524 policies | The companies applied a collision relativity factor that was higher than the one in their filing. \$62,830 was returned to insureds | \$62,830.00 |
| 2271 policies | The companies were not charging for the minimum general liability premium as required by their filing. This resulted in the insured being charged less than appropriate. Premium loss \$235,746. | |
| 1,057 policies | Commercial Umbrella policies were rated with old rates instead of using the new rates in effect. This effected policies since 1997 to current. (Premium loss not established) | |
| 2Z00767848 | Policy was issued using an incorrect territory, resulting in under charging the insured. The policy will be corrected on the next renewal. | |
| 2Z00784615 | A credit for a burglar alarm was applied to this policy in error & will be corrected on the next renewal. | |
| 2Z00790277 | A credit for a smoke alarm was applied to this policy in error & will be corrected on the next renewal. | |
| 2Z00784019 | A credit for a smoke alarm was not applied to this policy. The policy has been corrected. \$8 was returned to the insured. | \$8.00 |
| 2Z00778821 | An incorrect fire protection class was applied to this homeowner policy. All policy terms have been corrected. \$148 was returned to the insured. | \$148.00 |
| PAS 0002133502 | An incorrect protective device credit was applied to this policy. Applying the correct credit resulted in \$20 being returned to the insured. | \$20.00 |
| 1Z00703021 | An incorrect fire protection class was applied to this homeowners policy. Although the policy was corrected, there was no premium change. | |
| 1Z00710571 | An incorrect fire protection class was applied to this homeowner policy and will be corrected at the next renewal. Resulting in an increase in premium at renewal. | |

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| PAS 0000886778 | The insured had an automobile accident & the company did not remove the accident free discount that was being applied to the policy. This will be corrected at the following renewal. | |
| PAS 0000882699 | The insured qualified for an accident free discount & it was not being applied. This was corrected on each applicable policy period. \$24 was returned to the insured. | \$24.00 |
| PAS 0002132509 | An incorrect rating territory was used because that was what the agent supplied. The company relies on their agent to furnish accurate information. This resulted in undercharging the insured. | |
| ACP CPS 7120228363 | By not applying the package factor to the package minimum premium the insured would have been overcharged. However, since they also did not charge the general liability minimum premium, the insured was actually undercharged. | |
| ACP 71000220078 | By not applying the package factor to the package minimum premium the insured would have been overcharged. However, since they also did not charge the general liability minimum premium, the insured was actually undercharged. | |
| CAS 7130473091 | The insured moved their vehicles into a higher rated territory and the agent requested a mailing address change only. The company never questioned this until the examiners pointed it out. They will correct to the higher rated territory at the next renewal. | |
| FP 01008415 | The company inadvertently omitted a charge for the 3rd dwelling when renewing the policy. It will be corrected on the next renewal. | |
| FP 01006785 | Four separate rating errors were done in the rating of this policy. In some areas there were overcharges & some errors resulted in under charging the insured. The over all result, \$47 being returned to the insured. | \$47.00 |
| FP 01002457 | An incorrect construction class was used to rate grains bins. This has been corrected & \$169 was returned to the insured. | \$169.00 |
| ACP 7120229589 | Two rating factors were not applied to the premium. By not applying the package factor to the package minimum premium the insured would have been overcharged. However, since they also did not charge the general liability minimum premium, the insured was actually undercharged. | |
| ACP 7100227907 | Two rating factors were not applied to the premium. By not applying the package factor to the package minimum premium the insured would have been overcharged. However, since they also did not charge the general liability minimum premium, the insured was actually undercharged. | |
| ACP 7109737045 | Two rating factors were not applied to the premium. By not applying the package factor to the package minimum premium the insured would have been overcharged. However, since they also did not charge the general liability minimum premium, the insured was actually undercharged. | |
| ACP 711023574 | Two rating factors were not applied to the premium. By not applying the package factor to the package minimum premium the insured would have been overcharged. However, since they also did not charge the general liability minimum | |

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|--|--|----------|
| | premium, the insured was actually undercharged. | |
| FP 01003142 | Three separate rating errors occurred in the rating the various parts of this policy. There were both overcharges and errors resulting in undercharging the insured. The overall result was overcharging to policy. \$98 was returned to the insured. | \$98.00 |
| FP 01003257 | A rating error occurred and the insured was overcharged. \$20 was returned to the insured. | \$20.00 |
| FP 01002457 | The construction of the grain bins were incorrectly classified as frame when they were actually of a non-combustible material. | \$160.00 |
| CAS 7130444570 | The company was not in compliance with their filed rating plans regarding the rates for collision coverage for the truck tractor & trailer. | |
| CAS 7130866183 | The company was not in compliance with their filed rating plans regarding the rates for collision coverage for the truck tractor & trailer. | |
| CAS 7130029110 | The company undercharged the insured \$636 because the underwriting information was not updated. | |
| CAS 7115432466 | The company undercharged the insured \$208 because the underwriting information was not correct. | |
| | | |
| WAC 284-24-100, U & R Standard #4 | This regulations defines the amount of credit or debit that a company may apply when using a schedule rating plan and the type of documentation required to support the decision, It also states that the plan must be considered for all eligible risks and documentation must be kept even though no credits or debits are applied. | |
| 342 policies | The company was not able to provide documentation to show why the credit or debit was being applied on BOS & BOH policies. | |
| CAS 7130375955 | The company was not able to provide any documentation to demonstrate the risk was considered for the application of this rating plan, although it was eligible under the company's rule. | |
| ACP 7120231321 | The company applied a debit to this policy and could not justify the charge. The company returned \$449 to the insured. | \$449.00 |
| ACP 7100129041 | The company failed to review this risk for consideration of the application of the schedule rating plan. | |
| FP 01000371 | The company was not able to provide the documentation to show this risk was considered for the application of the rating plan each year it was eligible. | |
| FP 01000681 | The company was not able to provide the documentation to show this risk was considered for the application of the rating plan although the risk was eligible. | |
| FP 01002457 | The company applied a debit to this policy and could not justify the charge. The company returned \$669 to the insured. | \$669.00 |

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|---|---|--|
| CAS 7130422562 | The company was not able to provide any documentation to demonstrate the risk was considered for the application of this rating plan, although it was eligible under the company's rule. | |
| CAS 7130893415 | The company was not able to provide any documentation to demonstrate the risk was considered for the application of this rating plan, although it was eligible under the company's rule. | |
| CAS 7130029110 | The company was not able to provide any documentation to demonstrate the risk was considered for the application of this rating plan, although it was eligible under the company's rule. | |
| FP01003440 | The company was not able to provide any documentation to demonstrate the risk was considered for the application of this rating plan, although it was eligible under the company's rule. | |
| ACP/GLS7110233309 | The company was not able to provide any documentation to demonstrate the risk was considered for the application of this rating plan, although it was eligible under the company's rule. | |
| | | |
| RCW 48.18.2901 (2), C & NR Standard #2 | Requires an insurer when offering to renew a policy to include in the notice the amount of any increased premium resulting from a change of rates. | |
| 3745 policies | The company failed to advise their insureds when an increase in premium was the result of a rate change at the time they offered a renewal. | |
| | | |
| WAC 284-24-070 (5), U & R Standard #5 | Insurers writing risks subject to this regulation shall maintain separate documentation, including loss experience, on each risk written and shall be prepared to provide such documentation to the insurance commissioner upon request. | |
| GLS 7130214898 | The company was not able to provide the required documentation required when using (a) or "refer to company" rates. | |
| 1,094 policies | The companies were using deductibles on their homeowners policies that were higher deductible than those contained in their filings. They were unable to provide any documentation to support the rating as required to permit "a" rating. | |

APPENDIX 2

| | Cancellations and Non-Renewals | |
|--------------------------------------|---|--|
| | | |
| Violation or policy number | Comments | |
| RCW 48.05.190, GE Standard #2 | Requires insurers to conduct their business in their own legal name. | |
| | | |
| CIM 712035593 | Non-renewal notice does not identify the insurer. | |
| CIM 7120035841 | Non-renewal notice does not identify the insurer. | |
| CIM 7120035508 | Non-renewal notice does not identify the insurer. | |
| CIM 7120035575 | Non-renewal notice does not identify the insurer. | |
| ACP 7115109857 | Non-renewal notice does not identify the insurer. | |
| CIM 7120035596 | Non-renewal notice does not identify the insurer. | |
| ACP/GLS 7110236950 | Non-renewal notice does not identify the insurer. | |
| CIM 71200345667 | Non-renewal notice does not identify the insurer. | |
| ACP 7115115428 | Non-renewal notice does not identify the insurer. | |
| ACP 7120227573 | Non-renewal notice does not identify the insurer. | |
| ACP 7105132287 | Non-renewal notice does not identify the insurer. | |
| GLS 7120225976 | Non-renewal notice does not identify the insurer. | |
| ACP GLS 7110233309 | Non-renewal notice does not identify the insurer. | |
| | | |
| WAC 284-30-570, C & NR #3 | Cancellation or non-renewals must contain the actual reason for the companies' decision in language that the insured could understand without additional research. | |
| | | |
| CIM 712035593 | Non-renewal did not contain enough detail to comply with the code. | |
| CIM 7120035841 | Non-renewal did not contain enough detail to comply with the code. | |
| CIM 7120035508 | Non-renewal did not contain enough detail to comply with the code. | |
| CIM 7120035575 | Non-renewal did not contain enough detail to comply with the code. | |
| ACP 7115109857 | Non-renewal did not contain enough detail to comply with the code. | |
| CIM 7120035596 | Non-renewal did not contain enough detail to comply with the code. | |
| ACP GLS 7110236950 | Non-renewal did not contain enough detail to comply with the code. | |
| CIM 71200345667 | Non-renewal did not contain enough detail to comply with the code. | |
| ACP 7115115428 | Non-renewal did not contain enough detail to comply with the code. | |

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| ACP 7120227573 | Non-renewal did not contain enough detail to comply with the code. | |
| ACP 7105132287 | Non-renewal did not contain enough detail to comply with the code. | |
| GLS 7120225976 | Non-renewal did not contain enough detail to comply with the code. | |
| FP 01005102 | The reason for cancellation was the insured's failure to provide the information that was asked for by the company. The request for information was sent to agent, not to the insured. | |
| FP 01005697 | Reason for company's action given in insurance terminology. | |
| FP 1006137 | Reason for company's action given in insurance terminology. | |
| ACP GLS 7110233309 | The reason given for non-renewing the policy was, "Grange Insurance Group is no longer able to offer Insurance for this type of business." | |

APPENDIX 3

| CLAIM NUMBER | COMMENTS | |
|--------------------------------------|---|--|
| RCW 48.05.190, GE Standard #2 | Insurers will conduct their business in their own legal name. | |
| | | |
| 0000248912401 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 000026227002 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 000089504901 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer | |
| 000044871702 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 000200073201 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 000211045704 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 000211759801 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 000020922602 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 000006090003 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 000210223201 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 1Z0051138902 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 1Z0071610903 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 2Z0076635701 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |

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| 2Z0078059201 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 2Z0078828601 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 1Z0073246503 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 1Z0074202401 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 1Z0075194501 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 1Z0074160401 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 1Z0074459504 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 1Z0077044702 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| BO007235402 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| BO0007603802 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 2Z0077874801 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 000038681701 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 000006226701 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 000086817401 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 0000823629002 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 0000893960005 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |

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|--|---|--|
| 00045391703 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 000089179504 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 000213080401 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 000034650701 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| 000089925707 | Letters used Grange Insurance Group, or identified both Grange Insurance Association and Rocky Mountain Fire and Casualty Company as the insurer. | |
| | | |
| | | |
| WAC 284-30-340, Claim Standard #2 | Claim files must contain documentation of pertinent events and the dates of events | |
| | | |
| 000212027201 | Documentation explaining how the salvage value was determined was not on file. | |
| 00009271001 | Documentation explaining how the depreciation value was determined was not on file. | |
| | | |
| WAC 284-30-390, Claim Standard #7 | Automobile settlements must comply with the various requirements of this code | |
| | | |
| 000083933305 | Vehicles included in the total loss evaluation that do not list mileage. Salvage value not documented. | |
| 000449820601 | Vehicles included in the total loss evaluation that do not list mileage. | |
| 000045353201 | Vehicles included in the total loss evaluation that do not list mileage. | |
| 000089519501 | Vehicles included in the total loss evaluation that did not include mileage. | |